Industry, Tourism and Investment

Grants and Contributions Programs
Results Report 2006/2007

February 2008

Northwest Territories Industry, Tourism and Investment

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Grants and Contributions Programs Results Report 2006/2007

February, 2008

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ʔERIHTŁ'ÍS DËNE SÚŁINÉ YATI T'A HUTS'ELKËR XA BEYÁYATI THEʔA ʔAT'E, NUWE TS'ËN YÓŁTI.

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ᑕᕆᐊᒃ ᑎᑎᖅᑲᓪᓚᕐ ᐱᓕᒪᔪᐱᕐ ᐃᓄᐹᑎᑦᓯᖏᓪᓗᓂᒃ, ᐅᓪᓚᑎᓪᓄᕐ ᐅᖅᓯᓕᕆᓂᖅᑎᑦ

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

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FEBRUARY, 2008

Industry, Tourism and Investment Grants and Contributions Programs Results Report 2006/2007

Executive Summary

Preface

The mission statement of the Department of Industry, Tourism and Investment ('ITI' or 'the Department') states: "In partnership with others, the Department of Industry, Tourism and Investment will provide quality programs and services to promote and support Northwest Territories economic prosperity and community self-reliance."

To this end, the Department offers financial grants and contributions to a wide range of clients and agencies in a variety of sectors. This Report provides a summary of grants and contributions provided in 2006/2007 and a reporting of results not otherwise reported in other annual reports.

Summary of Results

In the fiscal year 2006/2007, the Department provided $14.9 million in grants and contributions to 1,194 individuals, businesses and organizations in the Northwest Territories (NWT).

Grants and contributions in this Report are considered in three categories; those made to organizations that serve the entire NWT, those made to organizations or individuals for region-specific projects or programs, and those impacting a single community.

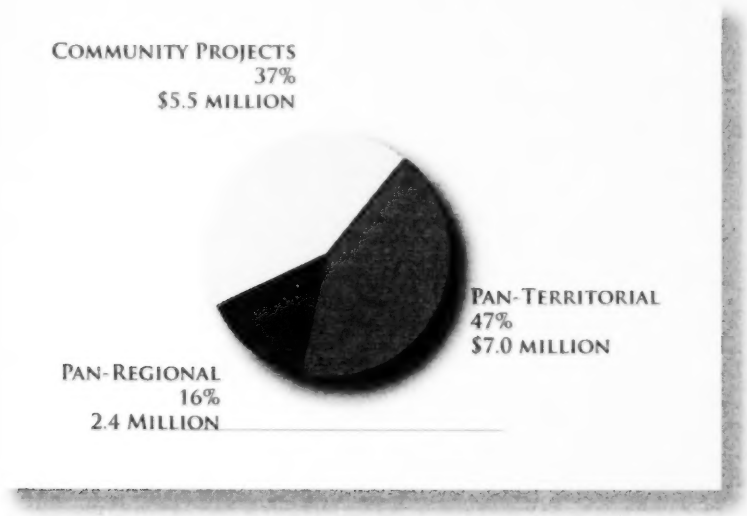
Table 1: Regional and Community Level Distribution of Grants and Contributions 2006/07

Community Level	Sum	Amount
Pan-Territorial		$6,963,137
Pan-Regional		$2,365,986
Level 1 Communities	$1,760,629	
Level 2 Communities	$681,507	
Level 3 Communities	$3,090,985	
Total Communities		**$5,533,121**
Outside the NWT		$27,000
Total		**$14,889,244**

In 2006/2007, NWT-wide funding was allocated to organizations such as the NWT Business Development and Investment Corporation (BDIC), NWT Tourism (NWTT) and to territorial organizations like the NWT Métis Development Corporation.

Region-specific funding includes grants and contributions allocated to organizations such as Community Futures and local wildlife committees that serve more than one community. Overall, NWT-wide funding and regional funding amounted to $7 million and $2.4 million respectively. Funding to projects within communities amounted to $5.5 million or 37% of the total ($14.9 million).

Chart 1 - Grants and Contributions invested in Community Projects



The totals reflected in this Report include grants and contributions funding provided through the Business Development Fund (BDF) and Grants to Small Business Program (GSB). Details of contributions made through these programs is available under a separate cover.

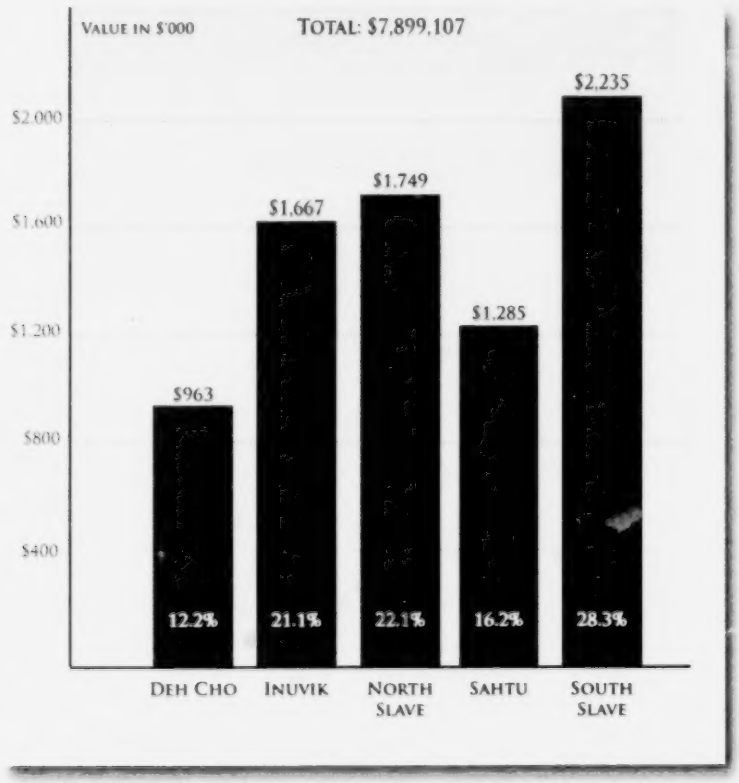
Regional Results

Table 2 shows the distribution of funding by geographic and regional area. 53% of the total funding was allocated through the Regions. The South Slave, Inuvik and North Slave Regions received the largest portions of this funding at 28%, 21% and 20% respectively. 47% of the total was made through Headquarters, largely to territorial organizations like Community Futures, the NWT Business Development Investment Corporation and NWT Tourism. These agencies, in turn, would have also allocated a portion of this funding to regional expenditures.

The Department is committed to ensuring equitable access and a reasonable distribution of funding to all Regions. Regional distributions of grants and contributions in 2006/2007 (Table 1) reflect this commitment.

The South Slave, Inuvik and North Slave Regions received the largest portions of this funding at 28%, 21% and 20% respectively. The Department is committed to ensuring equitable access and a reasonable distribution of funding to all Regions. Regional distributions of grants and contributions in 2006/2007 reflect this commitment.

Chart 2 - Grants and Contributions allocated by ITI Region, excluding NWT Wide and Outside Allocations



Community Group Contributions

To help focus its support, the Department classifies communities into different levels that reflect their individual economic situations. This classification recognizes that the developmental needs in Hay River, for example, are different from smaller communities such as Nahanni Butte.

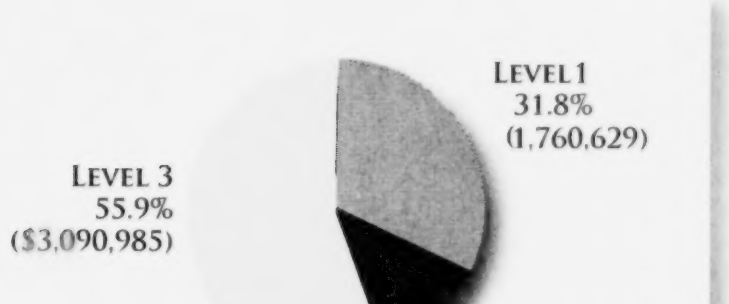
Level 1 Communities are defined as having reasonable to good transportation linkages. Typically they have developed, internal and external markets, a larger population base and per capita income, low unemployment, a stable business community, and related infrastructure. For the 2006/2007 fiscal year, Yellowknife, Hay River, Fort Smith and Inuvik were classified as Level 1 communities.

Level 2 Communities are defined as having limited but potential markets, lower per capita incomes, higher unemployment, fewer businesses, and less developed physical infrastructure. There were only three communities classified as Level 2 for 2006/2007 – Fort Simpson, Norman Wells and Behchoko.

Level 3 Communities are defined as being isolated, having high levels of unemployment, limited transportation, limited business opportunities, and economies closely linked to renewable resource harvesting. For 2006/2007, there were 27 communities identified as Level 3.

Over half (56%) of community-specific funding allocated in 2006/2007 went to Level 3, communities.

Chart 3 - Grants and Contribution 2006/2007 by community level.



Breakdown by Program

ITI delivers its funding through 18 programs. One of the smaller programs, the Fur Pricing Program (which supports trappers) sent 2,471 cheques worth over $647,000 to NWT trappers. The Business Development Fund was also very active, sending 402 cheques worth over $1.4 million to new or expanding NWT businesses.

Chart 4 - Grants and Contributions 2006/2007 by Program

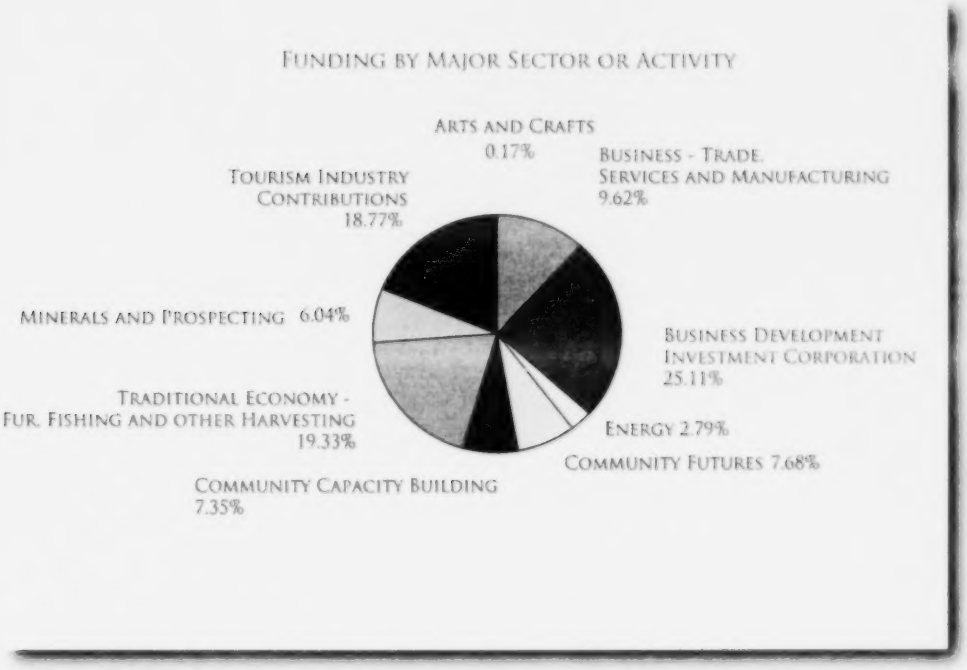

Funding by Major Sector or Activity
Arts and Crafts 0.17%
Business - Trade, Services and Manufacturing 9.62%
Tourism Industry Contributions 18.77%
Minerals and Prospecting 6.04%
Business Development Investment Corporation 25.11%
Traditional Economy - Fur, Fishing and other Harvesting 19.33%
Energy 2.79%
Community Futures 7.68%
Community Capacity Building 7.35%

Table 2 - Funding by Region and Community

ITI Region	Community	Grants and Contributions
Dehcho	Fort Liard	$75,722
	Fort Simpson	$395,119
	Fort Simpson Corporate Services	$721
	Fort Simpson Regional Services	$318,114
	Jean Marie River	$22,478
	Nahanni Butte	$59,000
	Trout Lake	$67,656
	Wrigley	$24,506
Dehcho Total		***$963,315***
Inuvik	Aklavik	$105,558
	Fort McPherson	$134,555
	Inuvik	$153,974
	Inuvik Regional Services	$816,955
	Paulatuk	$34,901
	Sachs Harbour	$23,696
	Tsiigehtchic	$116,230
	Tuktoyaktuk	$224,590
	Ulukhaktok	$56,771
Inuvik Total		***$1,667,231***
North Slave	Behchoko	$184,040
	Gameti	$48,535
	Lutsel K'e	$136,833
	Wekweeti	$61,261
	Whati	$184,620
	Yellowknife Regional Services	$945,853
North Slave Total		***$1,561,142***
Sahtu	Colville Lake	$114,277
	Deline	$241,694
	Fort Good Hope	$270,296
	Norman Wells	$102,349
	Norman Wells Regional Services	$283,484
	Tulita	$272,495
Sahtu Total		***$1,284,595***
South Slave	Fort Providence	$422,340
	Fort Resolution	$260,909
	Fort Smith	$713,399
	Ft Smith Regional Services	$859
	Hay River	$705,685
	Hay River Reserve	$105,092
	Kakisa	$26,920
	Reliance	$50
South Slave Total		***$2,235,254***
Yellowknife		***$187,570***
HQ	Western Territory	$2,672,619
	Yellowknife Corporate Services	$3,795,518
	Yellowknife Territorial Services	$495,000
HQ Total		***$6,963,137***
Outside NWT	Iqaluit Regional Services	$25,000
	Whitehorse	$2,000
Outside NWT		***$27,000***
	Northwest Territories Total	***$14,889,244***

HIGHLIGHTS

The Department provided $14.9 million in grant and contribution assistance to 1,194 individuals, businesses and organizations over the 2006/2007 fiscal year. Some major funding categories are:

- $2,021,000 to the NWT Tourism Association to support the tourism industry to market and promote the Northwest Territories as a tourism destination to North America as well as internationally.
- $1,094,791 in contributions to communities to hire Economic Development Officers (EDO). This is part of the continuing move towards supporting greater community autonomy.
- $246,498 towards local harvester associations to support community-harvesting initiatives.
- One-time contributions totalling $430,000 went to projects such as: the Talston Hydro Project and the 2007 Canada Winter Games.
- $3,738,000 to the Business Development and Investment Corporation (BDIC). The BDIC was established on April 1, 2005 as a Crown Corporation of the GNWT and provides a range of programs and services to help northern business. These programs are also not summarized in this Report, but will be detailed in the BDIC's Annual Report that is tabled annually in the Legislative Assembly.
- 1,432,737 contribution to the Business Development Fund (BDF) Program to encourage economic development and diversification through assistance to business. The BDF Program is not summarized in this Report, however it is detailed in its own Annual Report, which was tabled in August 2007 in the Legislative Assembly.
- $1,144,125 contribution to the Community Futures (CF) Program to build local capacity as a means of assisting rural and remote communities to deal with economic change and labour force adjustment and to foster entrepreneurial development by providing both financial and technical support to new and existing small businesses. The CF Program is not summarized in this Report.

The next section of this Report provides a brief report on results for each of the Grants and Contributions Programs provided by the Department. (A)

(A) Excludes those which have their own Annual Report. (NWT Business Development and Investment Corporation, Business Development Fund and Community Futures)

INVESTMENT AND ECONOMIC ANALYSIS

COMMUNITY TRANSFER INITIATIVES

Purpose

Contributions are to provide funding for Northwest Territories (NWT) communities to obtain the services of an economic development officer (EDO), who is responsible to that community, through the provision of salary and operations funding to individual communities.

Eligibility

All NWT communities are eligible to request the transfer of Industry Tourism and Investment (ITI) EDO positions where those positions have not already been transferred to the community or other community.

Grant/Contribution

Contribution

Maximum Amount Per Applicant

The maximum amount allocated per applicant varies by community depending on remoteness and whether the community is eligible for a half or full time position. The attached table provides a summary of transfers to date, and the budgets associated with each transfer.

Program Budget

$1,362,000 for the 2006/2007 fiscal year

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by the Financial Management Board.

Application Process

Funding is through negotiated agreements.

Results Reporting

Results of the Community Transfer initiative are reported through the Regional ITI offices. Reporting includes an annual operational plan, a quarterly activity report and a performance appraisal for the incumbent.

For the 2006/2007 fiscal year, fifteen (15) communities in the NWT successfully participated in the Community Transfer Initiative. Total funding contributed for the 2006/2007 fiscal year was $1,094,791.

The breakdown by Community for Community Transfer Initiatives is listed below:

Program Detail	Spent
Akaitcho Business Dev Corporation	$108,500
Charter Community of Wha Ti	$61,774
City of Yellowknife	$50,000
Community of Fort Good Hope	$119,750
Dechi Laot'I First Nation (Snare Lakes)	$58,680
Deh Cho Business Dev Centre	$108,050
Deninu K'ue First Nation	$98,000
Gameti First Nation (Rae Lakes)	$42,706
Hamlet of Deline	$120,540
Hamlet of Fort Liard	$25,740
Hamlet of Tuktoyaktuk	$121,180
Hamlet of Tulita	$120,370
Tsiigehtchic Charter Community	$59,500
Total	**$1,094,790**

INVESTMENT AND ECONOMIC ANALYSIS

GRANTS TO SMALL BUSINESS

Purpose

The Grants to Small Business Program helps increase jobs and income, by supporting and encouraging private business and community development across the Northwest Territories (NWT).

Eligibility

This Program applies to individual entrepreneurs or small businesses that have a legitimate need for funds and are committed to their future business or activity. It applies to small businesses, co-operatives, partnerships, or sole proprietorships with less than $500,000 in gross sales. It also applies to those who earn part, or all, of their income from the sale of products or:

1. Artists and craft producers - includes people who are involved in carving, printmaking, sewing, performing arts or similar activities, and
2. Licensed renewable resource harvesters - includes people who harvest renewable resources under commercial quotas such as hunting, fishing logging, agriculture or similar activities.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

$5,000

Program Budget

$287,000 for the 2006/2007 fiscal year. Additional applicants fulfilled the criteria for receiving this Grant this year, resulting in increased spending of $287,938.

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

A standard application form is provided. Regional Superintendents of ITI approve applications. There is no appeal process.

Results Reporting

In the 2006/2007 fiscal year, a total of $287,938 was granted to 93 applicants across the NWT.

Grants were provided to assist eligible applicants to:

a. Overcome immediate problems involving legal or accounting expenses,

b. With required minor capital expenditures or extraordinary costs, and

c. For the purchase of tools and equipment to assist in increasing their level or quality of production and income.

The program provided funds to 93 applicants. The funding mainly flows to the smaller communities within the NWT. 23 of the applicants were situated in level one communities, 8 in level two communities and 48 in level three communities. Funds were also approved for other businesses located outside defined community boundaries.

	Community Level*	Number of Applicants	Amount
Grants to Small Business	Level 1	23	$83,955
	Level 2	8	$28,076
	Level 3	48	$125,554
	Other	14	$50,313
	Total	**93**	**$287,938**

* Community Levels:

1. Level 1 Communities - The most developed communities within the NWT. Typically these communities have well developed community business infrastructure and air/road transportation links.
2. Level 2 Communities - Typically these communities have business infrastructure and air/road transportation links.
3. Level 3 Communities – Typically these communities have the least developed business infrastructure and air/road transportation links.

TRADITIONAL ECONOMY

COMMERCIAL FISHERY ASSISTANCE

Purpose

To offset the high freight and production costs associated with operating commercial fisheries in the NWT by means of an Industry Support Program.

Eligibility

Eligibility is restricted to commercial fishermen as defined by Ministerial policy, holders of commercial fishing licences and a member of the NWT Fishermen's Federation (NWTFF).

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Maximum amount available under this program is $15,000 per harvester and $20,000 is utilized as Operations and Maintenance for the Federation. $135,000 is available to commercial fishermen under the Fish Harvesters Expansion Program to upgrade/modernize their fishery. Maximum lifetime amount available under this program is $60,000 per applicant.

Program Budget

Total program budget is $395,000 for the 2006/2007 fiscal year.

Program Manager

Investment and Economic Analysis Division and the Regional Superintendent

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Program delivery is managed by the Fishermen's Federation, through a Memorandum of Understanding with the Department of ITI. Commercial fishers apply to the Fishermen's Federation for funds.

Results Reporting – 2006/2007

Total spending for 2006/2007 is a follows:

Fisheries Support	2006/2007
Fish Harvesters Support Program	$36,359
Commercial Fish Harvesters Support Program	$162,449
Fish Harvesters Expansion Program	$140,427
Fish Harvesters New Entrants Support Program	$0
Core Funding	$56,191
Total	**$395,426**

Fish Harvesters Support Program

a. Previous year's fish production records of all fishers and a list detailing the amount each fishers will get under the Program is required.
b. Program aimed at small producers
c. This Program allows NWT fishers to continue to fish and earn an income.

Commercial Fish Harvesters Support Program

a. Program aimed at larger producers
b. Amounts are based on previous year's fish production.
c. This Program allows NWT fishers to continue to fish and earn an income.

Fish Harvesters Expansion Program:

Funding aimed at assisting fishers to defray a portion of costs for capital investments in their operations.

Fish Harvesters New Entrants Support Program:

Program aims to provide support to defray a portion of the cost to enter into the fishery.

Core Funding:

Funds assist in defraying a portion of the cost of administration for the Fishermen's Federation.

GREAT SLAVE LAKE COMMERCIAL FISHERY

Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Pounds (000's)	2,609	2,415	2,310	1,978	1,622	1,199
Total Sales (000's) $ (all species)	1,467	1,275	1,206	852	705	567

High cost of operations, stagnant pricing and significant competition for labour have caused declines in participation, effort and returns.

TRADITIONAL ECONOMY

COMMUNITY HARVESTERS ASSISTANCE PROGRAM

Purpose

This Program provides General Hunting Licence holders with fuel, supplies, and capital assistance, through Local Wildlife Committees.

Eligibility

Recognized Local Wildlife Committees. In the absence of a recognized Local Wildlife Committee, the Minister of ITI may allocate assistance directly to holders of General Hunting Licences.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Payments are made to community/regional organizations that are delegated the responsibility to deliver the program to harvesters. To be calculated based on the number of General Hunting Licence holders in the community and past participation levels.

Program Budget

$473,000 for the 2006/2007 fiscal year.

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Applications must include a statement of the disposition of previous funding and sufficient information to determine the basis for changed funding requirements. The number of General Hunting Licences and participation drive funding levels. The Regional Superintendent of ITI reviews the applications and makes recommendations to the Deputy Minister of ITI. Any appeals are submitted to the Minister of ITI.

Results Reporting

$536,024 was spent in this Program for the 2006/2007 fiscal year:

Region	Payment
Dehcho	$75,000
Inuvik	$144,359
North Slave	$17,944
Sahtu	$110,000
South Slave	$88,518
Tlicho	$100,204
Total	$536,025

The program was delivered in 31 communities by 33 organizations recognized by the Minister of ITI as representing the interests of harvesters.

The program responsibility has been expanded considerably since its inception in 1985. The program has assumed discontinued programs that used to offer support aimed at Outpost Camps, Community Hunts, Gas Subsidies and Trapper Assistance. The 2006/2007 program dollars assisted hunters and trappers in deferring the high costs associated with hunting, trapping and sustaining traditional lifestyles.

All communities in the NWT received benefits from the program either directly or through Regional organizations that represented their interests. Intended for the benefit of persons holding General Hunting Licences, the funding targeted Aboriginal persons in the NWT over the age of 16 and/or Land Claim beneficiaries.

The 2006/2007 program provided resources that allowed residents to pursue traditional activities that derived social/cultural and economic benefits. A key economic benefit arising from these activities was the replacement value of locally harvested goods when compared with costly imported product.

TRADITIONAL ECONOMY

FUR PRICE PROGRAM

Purpose

To provide NWT hunters and trappers with access to the financial resources necessary to participate in the fur industry.

Eligibility

Individual holders of a valid NWT General Hunting or Trapping Licences who are resident in the NWT are eligible.

Genuine Mackenzie Valley Fur (GMVF) Program

a. **Advance**
The GMVF Advance Program provides guaranteed advances to trappers delivering prime fur for sale through the GMVF Program. Advances are based largely on anticipated market performance.

b. **Prime Fur Bonus**
If the trapper's fur is sold for the same value or more than the advance, the trapper is entitled to receive a Prime Fur Bonus. The bonus recognizes that the fur is in good condition and has been well handled by the trapper.

c. **Fall Grubstake**
A trapper must harvest 20 or more pelts, to a maximum of 200 pelts of any species in the GMVF Program to receive a payment (minimum $100; maximum of $1,000 per trapper).

The GMVF Program also pays for all commissions, shipping and handling fees for fur shipped to auction, as well as any shortfall between the guaranteed prices and the actual auction house selling price.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

Funding levels are pre-determined by pelt.

Program Budget

$345,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

The Program entitlement is generated by individual pelts delivered, prices obtained and the quantum of pelts delivered over the course of the year; advances are determined by the market; the Prime Fur Bonus is determined by the value of the pelt and the effort; and the Grubstake by the volume.

Officers with the Department of Environment and Natural Resources assess the pelts and determine suitability for advance. The auction sells the pelt. The prime fur bonus is paid if eligibility is met. The Grubstake is paid subject to pre-determined eligibility being met. Appeals are very rare but trappers may appeal to the Minister of ITI.

Results Reporting

775 trappers from across the NWT, representing all Regions, have received support and benefits from the Program during the 2006/2007 fiscal year, compared to 695 trappers in 2005/2006 fiscal year.

Auction houses provide funds based upon the sale of fur. The funds provided to the trappers represent the proceeds from sales in excess of the advances paid.

Program funding has allowed trappers to maintain a more traditional lifestyle throughout the trapping season without interruption. Program funding also offsets a portion of the high cost of operations in the NWT.

The Fur Price Program is consistent with the Government of the Northwest Territories Strategic Plan "Self-Reliant People, Communities And Northwest Territories – A Shared Responsibility". This Program is and has historically been well subscribed. Since 2002 the Program has also provided the impetus for younger persons to enter the industry and sustain a more traditional lifestyle.

GMVF Final Results for 2006/2007

Total Value Sold	Advanced Unsold	Prime Fur Bonus	Grubstake	# of Trappers	Total $ to NWT Trappers
$1,308,744	$33,167	$265,467	$117,370	755	$1,724,748

GMVF Fur Sales – 2001-2007 -- ($000)

Year	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Gross Sales	852	760	852	972	1,400	1,309

TRADITIONAL ECONOMY

HUMANE TRAP DEVELOPMENT

Purpose

To support the development of efficient, acceptable, humane traps. The design of humane traps for use by the trapping industry is key to maintaining access to international markets. Any new trap design that meets the prescribed standards benefits all the people engaged in the industry, and the economy of the NWT in general.

The economic impact arising from the design and implementation of traps that meet standards as prescribed by international agreements is particularly important to trappers who stand to gain from the sale of their fur. International markets are key to attracting high prices. The continued investment and improvement in trap design better secures access to these markets.

Eligibility

Residents of the NWT who have developed a prototype of an acceptable humane trapping device or who have developed improvements to existing trapping devices to make them more efficient and humane.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

At the discretion of the Minister of ITI for each separate acceptable submission.

Program Budget

$5,000

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Prototypes, diagrams, developed improvements of new humane trapping devices or to existing trapping devices will be submitted to the Trap Review Committee of the Fur Institute of Canada. If acceptable, a cash incentive will be paid to the inventor.

Maximum amount for each recipient is subject to need and eligibility, and is at the discretion of the Minister of ITI.

Results Reporting

A number of traps that now meet the International standards as well as international acceptability that allow NWT trappers to access international markets, are readily available for trappers across the NWT for all species of fur bearers.

Due to the uptake of this program across the NWT in the past, the continued need for the Program has now diminished considerably.

Total grants paid for 2006/2007 equalled $2,750.

TRADITIONAL ECONOMY

HUNTERS AND TRAPPERS' DISASTER COMPENSATION

Purpose

To assist harvesters who sustain substantial financial losses due to unavoidable natural disasters except for forest fires.

Eligibility

Residents of the NWT who:

- Hold a General Hunting Licence or are land claim beneficiaries;
- Are regularly and actively engaged in renewable resource harvesting activities; and
- Earned at least 25% of gross income from renewable resource harvesting for the period of 12 months immediately prior to the incident.

Compensation will not be made for losses due to carelessness or poor judgment.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

$4,500

Program Budget

$15,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Application forms are completed by the applicant stating the date, the circumstance and the nature of the loss. The application is supported by an affidavit signed by the applicant and witnessed by a Commissioner of Oaths. The applicant needs to declare their income and offer evidence that 25% of this income is derived from harvesting of renewable resources.

The applicant completes a listing, complete with costs of goods required to replace damaged goods. Where the applicant has been deemed to be eligible and the circumstance has been verified, as well as the damage or loss, the costs associated with replacing or repairing the loss is approved to a maximum of $4,500. ITI pays all approved applications received.

Applications are reviewed, complete with recommendations from the local wildlife authority, the Departments of ITI and Environment and Natural Resources. The final approval rests with the Assistant Deputy Minister of ITI. The Minister of ITI reviews any appeals.

Results Reporting

Program payments were driven by events and circumstance that occurred in nature, with the exception of forest fires. Program demand is difficult to project from one year to the next. That being said, 32 Grants were approved for the 2006/2007 fiscal year, which totalled $107,975, primarily from the Inuvik Region.

Grants approved for the 2006/2007 fiscal year totalled $107,975, almost entirely related to flooding in the Mackenzie Delta.

These grant monies allowed the eligible individuals to continue with the traditional lifestyle even when circumstances were significant enough to cause a disruption.

The Program provides protection to those where need is most apparent in order to continue a livelihood which would have otherwise been disrupted by a natural disaster, other than forest fires.

TRADITIONAL ECONOMY

Local Wildlife Committees

Purpose

To provide financial assistance to organizations recognized by the Minister of ITI as representing the interests of hunters and trappers within a particular community.

Eligibility

All active associations in the NWT that are recognized by the Minister of ITI as representing the interest of hunters and trappers within the particular community.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Amounts are determined by a formula. Maximum amount per organization could be as high as $20,000.

Program Budget

$258,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

A letter is sent to the Regional Superintendent of ITI requesting the annual funding. A report of the previous year's expenditures is required in support of the request.

All organizations are entitled to a base allocation. Additional funding to the base is population driven based upon the number of General Hunting Licences, fur trappers and the workplan tabled for the upcoming year.

Funding is approved in the Region by the Regional Superintendent of ITI, with appeals being submitted to the Minister of ITI.

Results Reporting

In the 2006/2007 fiscal year, contributions were made to 33 organizations in 31 communities in the NWT, for a total of $246,498. Funding to local wildlife committees and regional organizations enabled them to represent their interests and deliver Community Harvesters Assistance Program funding on behalf of the harvesters they represent.

The funding to the local wildlife committees provided operating funds that enabled these organizations to administer the programs, provide a presence in the community/region and maintain an ongoing administrative function in support of harvesters.

Payments were made to the community/regional organizations representing harvesters in every community in the NWT.

The communities of Fort Smith, Fort Resolution and Yellowknife do not have organizations capable of meeting the minimum criteria of the program and therefore the program was delivered through the Regional offices of Environment and Natural Resources.

Every resident in the NWT who holds a General Hunting Licence or is a Land Claim Beneficiary was eligible for benefits arising from the funding.

The program funding provided services and support to harvesters through the agencies situated in the various communities/regions.

TRADITIONAL ECONOMY
SUPPORT TO THE FUR INDUSTRY

Purpose

To provide support for promotion of the fur industry.

Eligibility

Organizations recognized by the Minister of ITI as having an interest in the promotion of the fur industry.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

$45,000

Program Budget

$15,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Annual solicitation of funds in a letter from applicants is provided, outlining the programs which the funding will support. Supporting data for continuing funding will include a detailed accounting of the use of previous funding.

As there is only one applicant for program funding each year the budget is equal to the level of funding required annually and is approved by the Deputy Minister of ITI. Any appeals are directed to the Minister of ITI.

Results Reporting

There is only one application per annum made by the Fur Institute of Canada. Total contribution for the 2006/07 fiscal year was $14,766. Funding is approved for a National Organization representing the Fur Industry in Canada. All jurisdictions provide annual support to the organization. It is intended that trappers, especially, along with other people engaged in the fur industry benefit from the investment. The Federal Government also provides for funding for specific initiatives to this organization.

The key role played by the Fur Institute of Canada is to provide oversight and support to the development of new trapping technology deemed "humane" under the terms of the "Agreement on International Humane Trapping Standards" (Agreement). The Agreement came into effect in the 1990's after negotiations were successfully completed with the European Union (EU) thereby securing continued access to export markets for Canadian Wild Fur.

Being affiliated with the Fur Institute of Canada, the GNWT and its trappers play an active role in the negotiation and implementation of National and International Agreements relative to the fur industry. Participation through membership on the Board of Directors and Committees established by the Board provides the GNWT the opportunity to offer input and influence in the direction of the Board on matters of import to the fur industry.

The Fur Trade in Canada contributes approximately $800 million to the Canadian Gross Domestic Product, with almost $300 million in fur garment sales, $25 million in wild fur sales (raw), $78 million in ranched fur sales (mink/fox), and the balance coming from support industries. The Fur Trade in Canada is comprised of approximately 60,000 trappers (25,000 Aboriginal), with another 5,000 representing the fur farmers, manufacturers, dressers, retailers and others.

The fur industry in the NWT is a small but important industry providing income to approximately 600 trappers, the majority of whom reside in communities outside of Regional centres. Securing and maintaining market access has allowed trappers in the NWT to gain from the resurgence of fur markets for all species of furbearers.

TRADITIONAL ECONOMY

WESTERN HARVESTERS' SUPPORT PROGRAM

Purpose

This Program was instituted at the request of the NWT communities to assist Aboriginal organizations in promoting the local renewable resource economy.

Eligibility

Regional or community-based Aboriginal groups showing the active support of their constituent membership may apply.

Grant/Contribution

Contributions

Maximum Amount Available Per Applicant

Driven by pre-determined formula

Program Budget

Original commitment approved by the Legislative Assembly was $15 million. Funding to organizations is subject to the approval of supplementary appropriations from FMB. There is just over $2 million remaining in the fund. $691,500 was committed in the 2006/2007 fiscal year.

Program Manager

Investment and Economic Analysis Division

Policy Authority

Financial Management Board and the Legislative Assembly

Application Process

Proposals may be prepared jointly or separately for Dene and Métis harvesters and may be regional in scope or from individual community organizations. The Program must assist and promote the renewable resource harvesting economy in the community/district/region.

Organization(s) must match any contribution from the GNWT and must not be from other GNWT funds. GNWT will not provide an interest free loan or guarantee a loan from a commercial institution and matching funds must be deposited before GNWT will provide its contribution. Funds may not be used for administrative purposes. Predetermined levels of funding were based upon the number of General Hunting Licence holder in each community by Aboriginal descent.

The Minister of ITI recommends the application to FMB, who recommends the application for a supplementary appropriation to the Legislative Assembly.

Results Reporting

$691,500 in Western Harvester contributions was committed in the 2006/2007 fiscal year.

Funds were committed for the following groups: Behdzi Ahda First Nation, Deh Gah Got'ie Dene Council, Deninu Kué First Nation, Fort Smith Métis Council, and the Salt River First Nation. The funds were used to provide assistance in support of harvesters to acquire the necessary means and equipment to support traditional harvesting practices in and around their respective communities.

The funding commitment also allowed for the leveraging of an additional $638,800 in additional support to this sector as per the program.

Funding from this program directly contributes support to Traditional Economy activities and augments the traditional lifestyle.

Funds for this program were allocated to the following communities:

Program	Program Detail	Transactions	Sum
Western Harvesters Assistance Program	Behdzi Ahda First Nation	1	$44,000
	Deh Gah Got'ie Dene Council	6	$291,000
	Deninu Kué First Nation	1	$18,000
	Fort Smith Métis Council	2	$300,000
	Salt River First Nation	1	$38,500
	Total	**11**	**$691,500**

TOURISM AND PARKS

Tourism Industry Marketing Contribution

Purpose

For Northwest Territories Tourism (NWTT) to deliver the Tourism Marketing Program on behalf of the Government of the Northwest Territories (GNWT) and finance the costs incurred in the delivery of services to the Northwest Territories (NWT) tourism industry through the NWT Business and Marketing Plan.

Eligibility

This contribution is exclusively directed to NWTT the tourism industry association acting as the Destination Marketing Organization (DMO) for the NWT.

Grant/Contribution

Contribution Agreement

Maximum Amount Available Per Applicant

NWTT is the current organization that represents the majority of tourism industry members in the NWT and that can deliver the tourism-marketing program on behalf of the GNWT.

Program Budget

$2,021,000

An additional $400,000 for marketing is also available through the Tourism 2010 Plan. This Program will be sunsetting March 2011.

Program Manager

Tourism and Parks Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

This is an annual contribution agreement that is acquired through the business planning process.

Results Reporting

NWTT represents the tourism industry in the NWT at various events that include conferences and meetings at national events such as the Tourism Industry Association of Canada's Annual General Meeting and Conference, Aboriginal Tourism Canada's Conference, Talking Tourism Symposium and others. NWTT has successfully carried out their annual marketing plan, which included advertising through various mediums for the following campaigns:

- General Awareness
- Hunting
- Fishing
- Aurora
- Outdoor Adventure
- Touring
- Business (promotions to the business traveler already in the NWT)

Marketing Activities

In 2005/06 NWT Tourism began the process of developing a new brand image for the NWT. Following extensive research, which included focus groups for the NWT and various key markets in southern Canada and the Untied States, NWT Tourism rolled out their new brand at the 2006 Annual General Meeting and Tourism Conference. An extensive advertising campaign featuring the new brand was rolled out in the 4th quarter (January - March 2007). Advertising for the new brand included:

Print Advertising

- Traditional print advertising (regular markets of the NWT: Canadian Geographic, Westworld, RV Gazette, Field and Stream, North American Hunter, etc)
- Print advertising expanded into key geographic markets (Toronto, and Los Angeles) Ad campaigns were done in the Globe and Mail and LA Times)
- As an added component, several co-op marketing opportunities were added where members purchased formatted ad space in these publications.

Web Advertising

- Web advertising included banner ads, search engine optimization and purchasing of key words in the search engines
- NWTT is in the process of developing a new website (presentation to be made at 2007 AGM and Tourism Conference, with the site to be officially launched in December)
- Website activity has increased dramatically with the new site with approximately 189,000 unique visitors to the site for the last quarter of 2006/07. This is up over 60,000 visitors from the same time the previous year.

Direct Mail

- Direct mail campaigns were launched for the NWT fishing and hunting programs. The program was a huge success. NWTT received 1,200 replay cards from the fishing program and over 1,500 from the hunting program.

Television

- NWTT has taken out a one-year contract for the sponsorship (of the officially rugged quiz of the week) with the Officially Rugged TV program. It is too early to tell how effective this program has been, but NWTT is optimistic as the show has one of the highest ratings of fishing shows in North America.

Consumer Show Program

- NWTT with the help of ITI regional tourism staff participated in 11 consumer shows. For the most part the shows were very successful with 2,087 reply cards being gathered.
- Vancouver Outdoor Show deserves extra mention as additional businesses from the South Slave also took out booth space meaning that the NWT had a strong presence at this show. It is something NWTT need to consider doing more of in the future. The Consumer Show program had a heavy focus on the RV market with eight out of the eleven shows having an RV focus. In the future NWTT will be looking at increasing the number of Outdoor Adventure shows.

Travel Guides

- Explorers' Guide 50,000 copies
- NWT Hunting Guide 10,000 copies
- NWT Fishing Guide 21,000 copies
- NWT Aurora Guide 20,000 copies (with an additional 20,000 to be done in Japanese)

Other promotional materials

- "See More NWT" brochure
- Ad wheel for the hotel rooms in YK, Hay River, Inuvik and Norman Wells Moving billboards (truck decals)
- New display materials including display units for the consumer shows, airport banners, aurora books, and several promo items featuring the new brand
- A three and a half minute brand video was also produced. This has been included in NWTT media kits and is also available to see on the website

Media Familiarization Tours (FAMs)

- NWTT hosted 24 different media FAMs in 2006/07 with over 50 key media visiting the NWT. Indian and Northern Affairs Canada (INAC) contributed $30,000 to this budget and industry partners contributed $185,000 in in-kind support.

Trade FAMs

- NWTT hosted seven Trade FAMs with approximately 30 travel trade representatives from Germany, Switzerland, Australia and Japan participating in the program and industry partners contributed another $30,000 respectively.

Trade Shows

- NWTT also participated and represented the NWT tourism industry in the following trade shows: Rendezvous Canada in Quebec City, Kanata in Japan, Spotlight Canada in England, and International Tourism Fair in Berlin). NWTT also participated in a sales Mission to Mexico City.

Media Shows

- NWTT attended two media shows including "Go Media" in Banff, and "Media Marketplace" in New York City.

Partnership Funding

- Through partnerships, NWTT was able to access an additional $1,045,513 to bring the total of marketing dollars to $3,074,316.
- The following is a breakdown of these funds

NAC	$ 710,000
CTC Partnerships	$ 200,000
Industry Contributions (In Kind)	$ 342,000

- This funding aided NWTT to leverage an additional $1,192,000
- The Canadian Tourism Commission contributed $200,000 ($100,000 directly towards the Japanese "Aurora" campaign, and another $100,000 for other initiatives they include media events, ad campaigns, and also covered the overseas part of several Japanese and German media and trade FAMs).
- INAC contributed $650,000 to the NWTT Marketing Plan, $40,000 to the NWTT AGM and $20,000 to the Rock and Ice Ultra.
- Visitor numbers to the NWT have declined by 4.4% over the past year due to various factors such as the increased competition for the Japanese Market, cutback in quotas for the barren ground caribou and the decline in the U.S. travel to Canada overall.

MINERALS, OIL AND GAS

PROSPECTORS' GRUBSTAKE PROGRAM

Purpose

To support and promote community-based mineral exploration by residents of the NWT.

Eligibility

Residents of the NWT who:

- Hold a valid Prospecting Licence from Indian and Northern Affairs Canada; and
- Have completed a recognized prospecting course or have mineral exploration/ prospecting experience.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

For expenses incurred, prospectors may be eligible for a maximum of $8,000 for expenses related to prospecting. The amount is to be established at the discretion of the Minister of Industry, Tourism and Investment for each separate acceptable submission.

Program Budget

$150,000 for the 2006/2007 fiscal year.

Program Manager

Minerals, Oil and Gas Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

The Application Form and Guidelines for the NWT Prospectors Grubstake Program is available online (www.nwtgeoscience.ca via the Outreach Programs link) and in hardcopy format at the NWT Geoscience Office. The application deadline is the first Monday in May each year.

Completed applications are sent by mail or fax to the Community Minerals Advisor, who administers and makes recommendations for approval, at the NWT Geoscience Office in Yellowknife.

The Community Minerals Advisor is available throughout this period to discuss project proposals. All recipients of the NWT Prospectors Grubstake Program are required to complete a number of reporting requirements. They must submit a complete documentation of how funds were spent including original receipts for all expenses, as specified by the Program guidelines. The only exception to this is a per diem allowance for grub, rather than individual receipts.

The next requirement is to provide results in the form of an assay certificate from a reputable analytical laboratory for the samples they collected during their work. All sample locations must be provided, either plotted on a map or by GPS co-ordinates. A written report done to the best of the person's ability is required. This may be in the form of a daily log, recording when, where and what work was done by the prospector. For more experienced prospectors, a report including the geology, description of exploration work done and the styles and occurrence of mineralization are submitted along with their assays and geochemical certificates.

Results Reporting

12 contributions were made in the 2006/2007 fiscal year, which totalled $74,250 and included assistance for prospectors, training courses involving 40 prospectors, and three sponsorships to participate in the Prospectors and Developers Association of Canada Conference and trade show.

Northerners, in general, will potentially benefit from economic spin-offs and jobs from exploration and development work by companies who sign option agreements with northern prospectors.

Other funding to supplement projects comes from the individual prospector. Prospectors provided another $14,000 (estimated).

Part of the funding is available for hiring an assistant. Two assistants were hired in 2005. Other significant economic impacts include rental of equipment and services from local businesses (telecommunications, drilling services, airline companies, air cargo services, field equipment and supplies).

The most significant achievement of this Program is facilitating grassroots prospecting work in the NWT by local residents.

This increases the likelihood of discovering new mineral showings which have the potential to attract both junior and major exploration and mining companies to follow-up on, option or stake adjacent mineral claims in the NWT.

Historically, a ten-fold return on investment has been seen through the Government's investment in the NWT Prospectors Grubstake Program. One particular example is the Drybones Bay area exploration work by Snowfield Development and New Shoshoni Ventures, which was driven, primarily by work done by local prospectors. It has resulted in millions of exploration dollars spent in the NWT over the last 10 years.

In order to be able to accommodate new candidates that stream through the Prospectors Training Program, the budget was increased by $60,000 during Fiscal Year 2006/2007 for a total potential grant allocation of $150,000 for prospectors across the NWT.

MACKENZIE VALLEY PIPELINE OFFICE

ABORIGINAL CAPACITY BUILDING

Purpose

To promote Aboriginal organizations in Regions most impacted by the proposed Mackenzie Gas Project with assistance for capacity building.

The Aboriginal Capacity Building Program is designed to work in partnership with other community and sector specific oil and gas programs to build a stable economic base at the regional and community level for initiatives that:

- Build on local or Regional oil and gas economic development strategies.
- Address impediments to economic growth in the oil and gas sector.
- Promote the development of a stable economy in the oil and gas sector.

The objectives of the Program are as follows:

1. Improve upon the Regional and local oil and gas economic base by;
    a. Researching new opportunities;
    b. Developing emerging economic opportunities; and
    c. Integrating technological developments to improve business competitiveness and viability.
2. Improve the competitive position of the NWT oil and gas sector through initiatives that:
    a. Remove demonstrated barriers to development;
    b. Establish infrastructure, where its absence is an impediment to the development for a number of businesses; and
    c. Fill gaps towards the development of an oil and gas industry in the NWT.
3. Strengthen technical, entrepreneurial, business management and marketing skills through training.
4. Stimulate long term and short term employment opportunities through capital investment.

Eligibility

Applicants must be members of an Aboriginal organization located within the Inuvialuit, Gwich'in, Sahtu and Dehcho Regions.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

$90,000 for each claimant group or Region

Program Budget

$360,000 for the 2006/2007 fiscal year.

Program Manager

Mackenzie Valley Pipeline Office (MVPO).

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Aboriginal Organization Applicants provide an annual work-plan and budget, detailing proposed activities, schedule and a source and application of all project costs.

$90,000 is available for each claimant group in the Inuvialuit and Gwich'in settlement areas. The parent Aboriginal organizations of the Inuvialuit Regional Corporation (IRC) and Gwich'in Tribal Council (GTC) receive the entire allocation and administer the funds in their respective settlement areas.

As the funds are allocated directly to the parent Aboriginal organization in the Inuvialuit and Gwich'in Regions, the recipient determines their own funding priorities

The Sahtu ITI Regional Superintendent, based on previous approvals and applications received, determines the Sahtu Region's $90,000 annual allocation.

The Dehcho and South Slave Regions $90,000 annual allocation is shared between the two GNWT administrative regions with the ITI Regional Superintendents of the two Regions determining the maximum amount for each recipient based on the number and type of applications received and previous approvals.

In the Sahtu, Dehcho and South Slave Regions, the Regional Petroleum Advisor and the ITI Regional Superintendent determine the Regions' funding priorities. The ITI Regional Superintendent approves the application.

The Deputy Minister will rule on appeals either by requesting that the application be reconsidered or denying the appeal.

Results Reporting

There were a number of contributions made in the 2006/2007 fiscal year, totaling $339,560 as follows:

Inuvik Region Allocations - $180,000

- $90,000 - IRC in support of a number of activities including; Enhanced Employment and Training Support Services; Pre-Employment Transportation Assistance; Central Information Clearing House; Statistical Information Compilation and Monitoring.
- $90,000 - GTC in support of a number of activities including; develop and implement a strategy to asses the GTC's Information and Technology systems and upgrade needs, organize Oil, Gas and Mining Workshops for delivery to registered Gwich'in' businesses, assist Gwich'in businesses in the development and implementation of Health, Safety and Environmental Program, conduct an assement of the current Gwich'in business capacity; conduct a employment and business opportunity profile associated with the "set aside work" provision of the MGP Access and Benefit Agreements.

Sahtu Region Allocation - $90,000

- $10,000 - Redstone Developments of Norman Wells to develop, plan and host the first Sahtu Oil, Gas and Minerals Symposium in the fall of 2006.
- $7,000 - Aurora College were provided with a contribution towards Board Training and Capacity Building workshops in all five Sahtu communities.
- $12,000 - Fort Norman Metis Land Corporation were provided with a contribution for the purpose of holding a meeting between the members of the Tulita District Land Corporation to develop a "working together" plan for future, oil, gas, pipeline and minerals activities within the Tulita District.
- $12,000 - Yamoga Land Corporation in Fort Good Hope were provided with a contribution to assist them host a District Land Corporation meeting to discuss "working together" and agreeing with a methodology on how everyone can benefit from non-renewable resource development activities on Kasho Got'ine District lands.
- $17,500 - Sahtu Secretariat Incorporated was provided with a contribution allowing them to negotiate a Memorandum of Understanding with the NWT Government relating to GNWT contracting services in the Sahtu.
- $14,275 - Deline Land Corporation received a contribution to fund a workshop for all of their staff involved in land matters, mineral development and oil and gas exploration.
- $10,976 - The balance of the Sahtu regional allocation was awarded to several Aboriginal organizations in the region that had requested assistance to travel to seminars and conferences throughout the year. Although contribution agreements were prepared, none of the applicants met the reporting conditions contained in the agreements, thus no fund were paid out.

Dehcho and South Slave Regions Allocation - $90,000

- $4,900 - Wolfe Trail Slashing to provide training certification as tree fallers to employees.
- $5,000 - Pehdzeh Ki First Nation in support of the cost of attending the 2006 CIBA Economic Development Conference and Trade Show in Edmonton.
- $2,895 - Jean Marie First Nation in support of the cost of attending the 2006 CIBA Economic Development Conference and Trade Show in Edmonton.
- $1,991 - Mr. Floyd Moses in support of the cost of attending the 2006 CIBA Economic Development Conference and Trade Show in Edmonton.
- $1,000 - Fort Simpson Metis Development Corporation Nation in support of the cost of attending the 2006 "Establishing Economic Cooperation Conference" in Yellowknife.
- $20,000 - East Deh Cho Alliance, a corporation representing the Katlodeeche First Nation, Ja A Gee Tu First Nation, West Point First Nation and Deh Gah First Nation and Fort Providence Metis in ongoing negotiations with MGP to development impact and benefit agreements and research and development of business opportunities.
- $10,000 - Ka'Gee Tu First Nation to build capacity in the oil and gas sector for the community of Kakisa by defraying the costs of hiring a community oil and gas coordinator.
- $10,000 - East Deh Cho Alliance, To assist with building capacity in the oil and gas sector in the communities of the Hay River Reserve, West Point, Kakisa and Fort Providence.
- $25,000 - Naegha Zhia Inc. (Katlodeeche First Nation) to defraying the costs of planning, marketing, organizing and implementing an oil and gas/ transportation trade show held in Hay River.

  Exit survey reported the conference and trade show to be highly successful and well organized. Keynote speaker Honourable. John Crosbie provided an informative, humourous and interesting commentary on the MGP versus Newfoundland's offshore development. Trade show attracted 50 plus businesses to the event and the conference in excess of 150 delegates. Delegates included the Premier, other politicians and key NWT businesses. Katlodeeche First Nation was able to use this opportunity to explore potential joint ventures and to promote its businesses.

MACKENZIE VALLEY PIPELINE OFFICE

RESOURCE PRE-DEVELOPMENT PROGRAM

Purpose

An application-based contribution program available to regional Aboriginal organizations and the four tax-based communities to assist in assessing impacts, negotiating access and benefit agreements and undertaking general planning and preparation for the Mackenzie Gas Project (MGP).

The program has two main objectives:

1. Community Preparation: To ensure communities are prepared to negotiate and respond to project-driven requirements and realize project related opportunities;
2. Project Negotiation: To facilitate timely negotiation and ratification of project-related agreements.

All four tax-base municipalities have filed impact assessment reports with the MGP Joint Review Panel and are actively negotiating fee-for-service arrangements with proponents. Only three of five regional land claimant organizations (the Inuvialuit, Gwich'in and Tulita/ Norman Wells district) have completed access and benefit (AandB) negotiations with the MGP proponents. AandB Agreements between the MGP and the Kasho Got'ine of the north Sahtu, and the Dehcho Region remain outstanding.

Eligibility

Assistance is available to regional Aboriginal organizations (and their designates) and tax-based communities only, in the Government of the Northwest Territories (GNWT) administrative Regions of the Inuvik, Sahtu, Dehcho and South Slave, for initiatives related to the MGP.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

$50,000 annually

Program Budget

$200,000 for the 2006/2007 fiscal year.

Program Manager

Mackenzie Valley Pipeline Office (MVPO)

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

This is not a publicly advertised and promoted contribution program so unsolicited applications are not normally received or considered. The eligible applicants (regional Aboriginal organizations and tax-base municipalities) are invited to submit proposals, including work plans and budgets, based on available funding.

Applicant Aboriginal organizations and tax-based municipalities are asked to provide a proposal describing their work-plan and budget, detailing proposed activities, results expected, schedule and a source and application of all project costs.

The eligible applicants determine their own funding priorities. This contribution program is intended to support existing and ongoing MGP impact assessment and agreement negotiation activities. Applications are approved by the ITI Regional Superintendent for tax-based municipality applications, and by the Director of the MVPO for regional Aboriginal organization applications.

As eligibility is limited to only eight possible applicants, and proposal are solicited from them for a maximum amount, appeals are not expected. The Deputy Minister will rule on appeals either by requesting that the application be reconsidered or denying the appeal.

Results Reporting

A total of $180,000 worth of contributions were made in the 2006/2007 fiscal year:

- $45,000 - Village of Fort Simpson - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the Mackenzie Valley Pipeline (MVP).
- $45,000 - Town of Hay River - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the MVP.
- $45,000 - Town of Inuvik - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the MVP.
- $45,000 – Town of Norman Wells - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the MVP.

Results varied with each project and applicant and are not always defined or definitive. In the case of A and B Agreements between the proponents and Aboriginal organizations, the results are confidential commercial arrangements. This program supports the impact assessment and agreement negotiation processes not the final result.

MACKENZIE VALLEY PIPELINE OFFICE
SUPPORT TO THE ABORIGINAL PIPELINE GROUP

Purpose

Support the Aboriginal Pipeline Group (APG) in obtaining a one-third ownership interest in the Mackenzie Gas Pipeline Project.

Eligibility

Assistance is limited exclusively to the APG, the legal entity established to hold the NWT Aboriginal peoples' ownership interest in the Mackenzie Valley Natural Gas Pipeline.

Grant/Contribution

Contribution

Program Budget

$250,000 for the 2006/2007 fiscal year.

Program Manager

Mackenzie Valley Pipeline Office (MVPO)

Policy Authority

Established under authority of Minister of ITI.

Application Process

The GNWT, Government of Canada and TransCanada Pipelines Limited, jointly fund the administration costs of the APG. The APG Board of Directors submits an application each year, which includes audited financial statements and an annual report, highlighting activities and results of the previous year, a work plan and budget for the upcoming year.

Results Reporting

This is the forth year of a six-year commitment from the GNWT to provide an annual contribution of $250,000 in support of the administration costs and expenses of the APG.

The Inuvialuit, Gwich'in and Sahtu are members of the APG partnership and, as part of their 2006/2007 work plan, the APG Board of Directors identified a number of key areas in which the partnership would work toward achieving results throughout the upcoming year. The following is a listing of some of the work plan activities achieved:

- APG continue to maintain contact with potential financiers and is now developing a detailed financing work plan.
- APG has developed a strategy for new shipping contracts. Negotiations continue with Colville Lake explorers and Mackenzie Delta Explorers.
- APG continues to respond to new rounds of information requests and is participating in the regulatory hearings process.
- APG continues to represent its Aboriginal shareholders in all MGP decision-making forums.

- APG has been active in promoting the benefits of participation in the APG opportunity with all Aboriginal groups in the NWT, especially in the Dehcho communities.
- The structure of the Benefits Distribution Plan Framework is expected to include continued operations, reinvestment in pipeline activities, and dividends to shareholders.
- The implementation of a comprehensive communications strategy has resulted in a better understanding of APG's benefits, and a closer identification of APG as a locally-owned Aboriginal organization.
- APG uses every forum in the MGP decision-making process to promote Aboriginal opportunities.
- In their 2006/2007 annual report, the APG noted that they continue to face significant challenges including unresolved ownership, an extended regulatory process, and substantial increases in the estimated cost of the project. The APG noted that they will continue to work through the process of resolving each challenge, as it has done successfully in the past.

MACKENZIE VALLEY PIPELINE OFFICE

OTHER NEW PIPELINE RELATED INITIATIVES

Purpose

This funding is allocated to allow for the flexibility to respond to unanticipated community or organizational needs as they are identified – including those that may be identified by the Joint Cabinet/Accountability and Oversight Committee.

Eligibility

Assistance is available to NWT community or organizational applicants participating in new one-time initiatives pertaining to the proposed Mackenzie Gas Project.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

No maximum amount per applicant has been specified.

Program Budget

$55,000 for the 2006/2007 fiscal year.

Program Manager

Mackenzie Valley Pipeline Office (MVPO)

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Information required depends on the proposed project/activity, although a written proposal with budget normally is a minimum requirement.

The MVPO Director approves the application. The Deputy Minister will rule on appeals either by requesting that the application be reconsidered or denying the appeal.

Results Reporting

$20,000 - Town of Inuvik - A contribution that gave the ITI recognition as a Conference Host for the 7th annual Inuvik Petroleum Show held in June 2007. This is the highest level of sponsorship at this event and was shared with the Department of Indian and Northern Affairs Canada and the Inuvialuit Corporate Group. ITI has been a sponsor at this level since the inception of this event in 2000.

The 7th Annual Inuvik Petroleum Show was held on June 13 and 14, 2007. Total attendance was 721 attendees, which consisted of 274 Exhibitor Passes, 391 Delegate Passes, 44 Speakers and 12 Media. In addition, the trade show had 120 booths and approximately 500 people attended the trade show as public admission.

Topics of discussion covered at the conference portion of the Inuvik Petroleum Show included:

- Mackenzie Gas Project –Getting ready For the Pipeline
- MGP and Regulatory review Status
- Getting Ready with Education and Training Programs
- 40 Years of Getting Ready For the Pipeline
- Getting Ready for the Pipeline by Minimizing Social Impacts
- Getting Communities Ready for the Pipeline
- Oil and Gas Exploration, Research, and New Technologies in 2007 and beyond

$5,000 – New North Network - To provide contribution funding to assist Permafrost Media, a division of New North Network, in providing next day reporting of the highlights of the JRP and NEB regulatory hearings for the Mackenzie Gas Project.

$17,000 – Fort Norman Metis Land Corporation were provided with a contribution for the purpose of organizing and holding the "Tulita Unity Conference" a meeting between the members of the Tulita District Land Corporation to develop a "working together" plan for future, oil, gas, pipeline and minerals activities within the Tulita District.

The conference also covered how effective social, cultural and economic impact assessment is in meeting community, government and regulator needs. Ideas were brought forward regarding ways in which social, cultural and economic impact assessment could be carried out in more effective ways.

$13,000 of this contribution program was not fully utilized in the 2006/2007 fiscal year, as an expected approved allocation had to be reduced when it was determined that the ITI regional office had already provided departmental assistance to the recipient for that project. As this was not discovered until very late in the year, there was insufficient time to reallocate the surplus funding to another eligible recipient and therefore the final $13,000 was lapsed.

INDUSTRIAL INITIATIVES

DIAVIK SOCIO-ECONOMIC MONITORING AGREEMENT

Purpose

Allows for operation of a Board established through the Diavik Socio-Economic Agreement (Diavik SEA). The Diavik SEA provided for the creation of an Advisory Board, which is the Diavik Communities Advisory Board (DCAB). DCAB was created to monitor the commitments made in the Diavik SEA. DCAB also provides a way for communities to comment on the impacts they are seeing from the Diavik Project. DCAB provides advice to the Parties to the SEA about how effectively the SEA is being implemented. DCAB has the authority to recommend changes that can help the SEA achieve its intended results.

Eligibility

Funding is directed to DCAB, the advisory board established through the SEA.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Reviewed every three years.

Program Budget

$180,000 for the 2006/2007 fiscal year.

Program Manager

Industrial Initiatives

Policy Authority

Authority for this Contribution was established through Cabinet approval of the Diavik SEA. FMB approves funding.

Application Process

Diavik and the GNWT jointly fund DCAB. DCAB submits a proposed work plan and budget to the two funders for approval, once every three years. The SEA describes the mandate and role of DCAB, providing direction for work plan activities.

Results Reporting

Under the Contribution Agreement, the Board is required to provide audited financial statements showing how funds were spent.

The approved three-year work plan outlines initiatives and tasks that DCAB hopes to complete. DCAB plans to:

- Issue Annual Reports;
- Develop a toolkit to help communities identify Project impacts in a consistent way;
- Carry out impact studies in communities;
- Let communities know about its findings and its role; and
- Hold community meetings.

The current work plan is enabling communities in the Slave geologic region to collect and publish information about community impacts in a consistent way. This will help DCAB to review and compare community-driven indicators across a broad geographic area and across cultural groups. This work ensures strong community involvement in industrial monitoring.

DCAB is made up of representatives from Behchoko, Whati, Gameti, Wekweeti, Detah, Ndilo, Lutsel K'e, Kugluktuk and the North Slave Métis Alliance. Two representatives from both Diavik and the GNWT also sit on the Board. This unique Board provides an outlet for valuable input and consideration by all Parties on a variety of issues arising from the Diavik Project.

In 2005/2006, DCAB issued its 2004/2005 Annual Report. The DCAB Report pulled together highlights of reports from Parties to the Agreement, community representatives, and community meetings. The DCAB Report also included recommendations to the SEA Parties for adaptive mitigation.

In 2006/2007, DCAB also:

- Carried out one community baseline study;
- Received and reviewed reports from DDMI and the GNWT;
- Submitted its new three year workplan and budget;
- Updated its website;
- Published a plain-language version of the SEA; and
- Held eight community meetings.

Northwest Territories Industry, Tourism and Investment